

FEDERAL DEPOSIT INSURANCE CORPORATION

Selected Fund Financial Indicators

- BIF Reserve Ratio is 1.35 percent as of December 31, 2000
- SAIF Reserve Ratio is 1.43 percent as of December 31, 2000



Executive Management Report

Financial Results (unaudited)
For the twelve months ending December 31, 2000

Executive Summary

For the Twelve Months Ending December 31, 2000

Bank Insurance Fund (BIF):

- Revenue totaled \$1.9 billion for the twelve months ending December 31, 2000. The fund earned \$1.8 billion in interest on investments in U.S. Treasury obligations and \$45 million in deposit insurance assessments.
- Comprehensive income (net income plus current period unrealized gains/losses on available-for-sale securities) was \$1.6 billion for the twelve months ending December 31, 2000, compared to a loss of \$198 million for the same period last year. Additionally, at December 31, 2000, the fund balance was \$31.0 billion compared to an ending balance of \$29.4 billion for the same period last year.
- Receivables from bank resolutions are \$350 million at December 31, 2000. This receivable peaked at \$27.8 billion in 1992 due to the large number of bank failures occurring at that time.
- The contingent liability for anticipated failures decreased over the year by \$166 million to \$141 million at year-end 2000. The financial risks to the BIF from a few troubled institutions has diminished as supervisory oversight and enforcement actions continue to result in effective bank management resolution of existing problems.
- Six BIF-insured institutions failed during calendar year 2000. Total assets at failure were \$378 million.

Savings Association Insurance Fund (SAIF):

- Revenue totaled \$664 million for the twelve months ending December 31, 2000. The fund earned \$644 million in interest on U.S. Treasury obligations and \$19 million in deposit insurance assessments.
- Comprehensive income was \$478 million for the twelve months ending December 31, 2000, increasing the fund balance to \$10.8 billion.
- The contingent liability for anticipated failures increased by \$178 million to \$234 million during 2000. In addition to these recorded contingent liabilities, the FDIC has recently identified a

small number of additional SAIF-insured financial institutions that may pose a greater risk to the insurance fund unless institution management can resolve existing problems. If these institutions fail, they may cause a material loss to the SAIF.

- One SAIF-insured thrift failed during calendar year 2000. Total assets at failure were \$30 million.

FSLIC Resolution Fund (FRF):

~FRF-FSLIC~

- The U.S. Department of Treasury (U.S. Treasury) has determined that the FRF is responsible for the payment of judgments and settlements in most supervisory goodwill litigation cases against the U.S. Government.

Future goodwill litigation payments cannot be reasonably estimated at this time. This uncertainty arises, in part, from the existence of significant unresolved issues pending at the appellate or trial court level, as well as the unique circumstances of each case.

Funds to cover goodwill judgments and settlements are provided by an open-ended appropriation as provided by section 110 of the Department of Justice Appropriations Act, 2000. Because of this, any liabilities for goodwill litigation should have no material impact on the financial condition of the FRF-FSLIC. If an appropriation to the FRF-FSLIC was not available to pay the goodwill litigation judgments and compromise settlements, these liabilities would be material and could adversely affect the financial condition of the fund.

- In addition to payments for goodwill settlements, the FRF is responsible for reimbursing the U.S. Department of Justice for its goodwill litigation expenses.

Executive Summary

For the Twelve Months Ending December 31, 2000

(Continued) **~FRF-FSLIC~**

- The FRF-FSLIC received \$86.2 million in tax benefits sharing during 2000. Tax benefits are derived by an acquiring institution's utilization of a failing institution's net operating losses, credit carryforwards, and other benefits. FDIC receives cash from the acquiring institution for a percentage of the tax benefits used. Additionally, one of the assistance agreements contained a provision wherein the FDIC agreed to pay the acquiring institution should their average net earnings fall below a certain threshold. FDIC confirmed that the acquiring institution's earnings did indeed fall below the threshold and paid \$13.4 million as agreed.
- Assets in liquidation totaled \$28 million as of December 31, 2000, down by \$14 million over the last 12 months.

~FRF-RTC~

- Comprehensive income was \$620 million for the twelve months ending December 31, 2000. Almost half of this amount resulted from a negative provision for loss of \$286 million, which is primarily due to the elimination of the reserve for the estimated future costs associated with liquidating the assets of failed thrifts of \$223.5 million. In prior years, this reserve was appropriate because of large amounts of assets held in liquidation and funding concerns faced by the former RTC in the mid and latter 1990s. Because of the rapid wind-down of the FRF-RTC activity over the past years, funding concerns have diminished. The reserve was included in the "Liabilities from thrift resolutions" line item.
- The RTC Completion Act (Act) requires the FDIC to return to the U.S. Treasury any funds that were transferred to the RTC pursuant to the Act but not needed by the RTC. The Act made available approximately \$18 billion worth of additional funding, of which \$4.556 billion was used. In addition, the FDIC must transfer to the Resolution Funding Corporation (REFCORP) the net proceeds from the sale of FRF-RTC assets (once all liabilities of the FRF-RTC have been provided for) to pay the interest on REFCORP bonds. Any such payments benefit

the U.S. Treasury, which would otherwise be obligated to pay the interest on the bonds.

On July 27, 1999, the FDIC Board of Directors granted authority to the Director of the Division of Finance, or his designee, to: 1) repay the U. S. Treasury \$4.556 billion in appropriations made to the RTC pursuant to the Act; and 2) after the U. S. Treasury has been paid, to pay the REFCORP any additional excess cash until such time as the FRF-RTC is dissolved upon satisfaction of all debts and liabilities and sale of all assets.

With the last payment of \$271 million on February 3, 2000, the FRF-RTC has fully repaid the \$4.556 billion to the U.S. Treasury. Beginning in April 2000, the FRF-RTC has made three payments totaling \$1.449 billion to REFCORP this year. The last payment to REFCORP of \$400 million was made on October 6, 2000. The FRF-RTC cash balance is \$1.054 billion at December 31, 2000.

- Assets in liquidation totaled \$273 million as of December 31, 2000, down by \$194 million over the last 12 months.

INSURANCE FUNDS

Bank Insurance Fund (BIF)

Savings Association Insurance Fund (SAIF)

The BIF and SAIF are separate insurance funds responsible for protecting insured depositors in operating banks and thrift institutions from loss due to failure of the institution. Since 1989, an active institution's insurance fund membership and primary federal regulator have been generally determined by the institution's charter type. Deposits of BIF-member institutions are generally insured by the BIF; BIF members are predominantly commercial and savings banks supervised by the FDIC, the Office of the Comptroller of the Currency, or the Federal Reserve. Deposits of SAIF-member institutions are generally insured by the SAIF; SAIF members are predominantly thrifts supervised by the Office of Thrift Supervision.

FINANCIAL HIGHLIGHTS

<i>Dollars in Millions</i>	BIF		SAIF	
	(Unaudited) 12/31/00	12/31/99	(Unaudited) 12/31/00	12/31/99
Revenue	\$ 1,906	\$ 1,816	\$ 664	\$ 601
Operating Expenses	773	730	111	93
Insurance Losses/Expenses	(128)	1192	189	31
Unrealized Gain/(Loss) on AFS (1)				
Securities, Net (Current Period)	300	(92)	114	(36)
Comprehensive Income	1,561	(198)	478	441
Fund Balance	\$ 30,975	\$ 29,414	\$ 10,759	\$ 10,281
December 2000/1999 Reserve Ratio (2)	1.35%	1.36%	1.43%	1.45%
December 2000/1999 Fund Balance	\$ 30,975	\$ 29,414	\$ 10,759	\$ 10,281
Estimated Insured Deposits	\$ 2,301,604 (a)	\$ 2,157,536 (b)	\$ 752,756 (a)	\$ 711,345 (b)
Total Insured Institutions	8,591 (a)	8,852 (b)	1,333 (a)	1,388 (b)
Number of Failures, YTD	6	7	1	1
Total Corporate Outlays, YTD	\$302	\$1,243	\$29	\$63
Total Estimated Corporate Losses, YTD	\$39	\$838	\$1	\$1
Total Assets at Failure (Current Year)	\$378	\$1,424	\$30	\$63
Assets in Liquidation (3)	\$226	\$1,462	\$8	\$10

(1) Available-for-Sale (AFS)

(2) The Reserve Ratio is equal to the fourth quarter Unrestricted Fund Balance divided by the fourth quarter Estimated Insured Deposits.
The statutorily established Designated Reserve Ratio is 1.25%.

(3) Assets in liquidation is the total book value of the noncash assets to be liquidated.

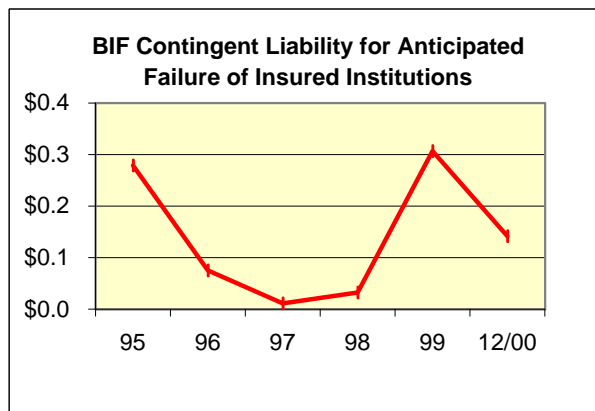
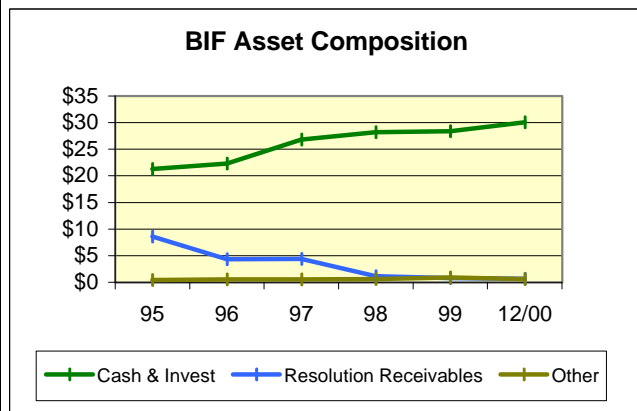
(a) Source: Fourth Quarter 2000 FDIC Quarterly Banking Profile. BIF figure includes 19 U.S. branches of foreign banks.

(b) Source: Fourth Quarter 1999 FDIC Quarterly Banking Profile. BIF figure includes 20 U.S. branches of foreign banks.

Bank Insurance Fund Statements of Financial Position December 2000

<i>Dollars in Millions</i>	(Unaudited) December 31 <u>2000</u>	December 31 <u>1999</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 156	\$ 164
Investment in U.S. Treasury obligations, net	29,932	28,238
Interest receivable on investments and other assets, net	553	467
Receivables from bank resolutions, net	350	743
Assets acquired from assisted banks and terminated receiverships, net	12	21
Property and buildings, net	167	156
Software development and other capitalized assets, net	136	104
Total Assets	\$ 31,306	\$ 29,893
<u>Liabilities</u>		
Accounts payable and other liabilities	\$ 166	\$ 149
<u>Contingent Liabilities for:</u>		
Anticipated failure of insured institutions	141	307
Assistance agreements	0	11
Litigation losses	22	10
Asset securitization guarantees	2	2
Total Liabilities	331	479
<u>Fund Balance</u>		
Accumulated net income	30,755	29,495
Unrealized gain/(loss) on available-for-sale securities, net	220	(81)
Total Fund Balance	30,975	29,414
Total Liabilities and Fund Balance	\$ 31,306	\$ 29,893

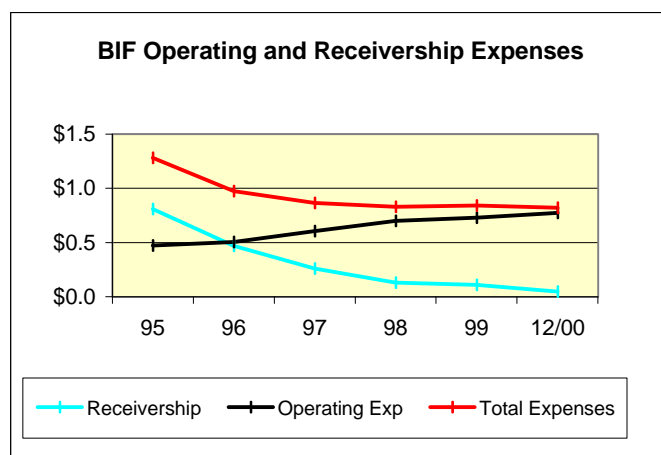
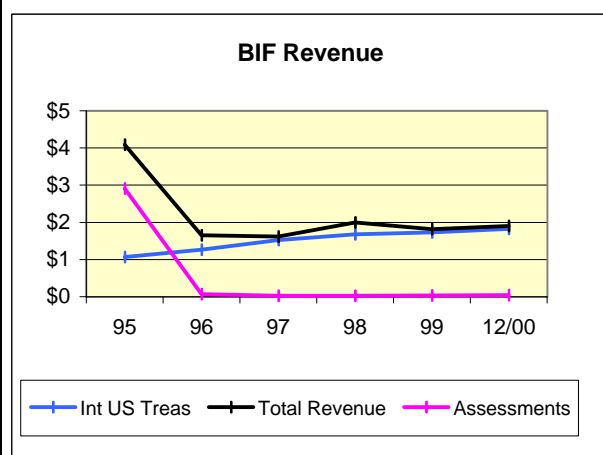
Chart Data: Dollars in Billions



Bank Insurance Fund Statements of Income and Fund Balance December 2000

Dollars in Millions

	(Unaudited) Year-to-Date:		(Unaudited) Quarter Ending December 31:	
	2000	1999	2000	1999
Revenue				
Interest on U.S. Treasury obligations	\$ 1,827	\$ 1,734	\$ 468	\$ 441
Assessments	45	33	9	8
Interest on advances and subrogated claims	8	21	3	2
Revenue from assets acquired from assisted banks and terminated receiverships	10	11	0	3
Other revenue	16	17	4	5
Total Revenue	1,906	1,816	484	459
Expenses and Losses				
Operating expenses	773	730	218	208
Insurance Losses/Expenses:				
Provision for insurance losses	(153)	1,169	0	252
Expenses for assets acquired from assisted banks and terminated receiverships	17	19	4	7
Interest and other insurance expenses	8	4	2	2
Total Expenses and Losses	645	1,922	224	469
Net Income	1,261	(106)	260	(10)
Unrealized gain/(loss) on available-for-sale securities, net (current period)	300	(92)	160	(75)
Comprehensive Income	1,561	(198)	420	(85)
Fund Balance - Beginning	29,414	29,612	30,555	29,499
Fund Balance - Ending	\$ 30,975	\$ 29,414	\$ 30,975	\$ 29,414

Chart Data: Dollars in Billions

Savings Association Insurance Fund

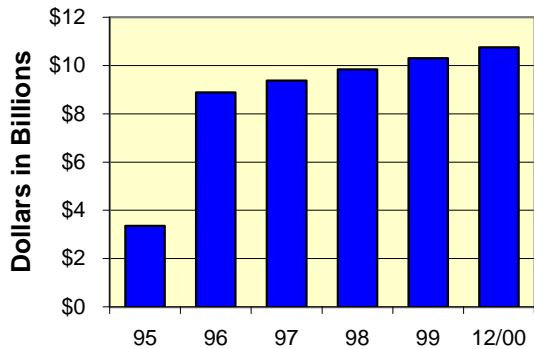
Statements of Financial Position

December 2000

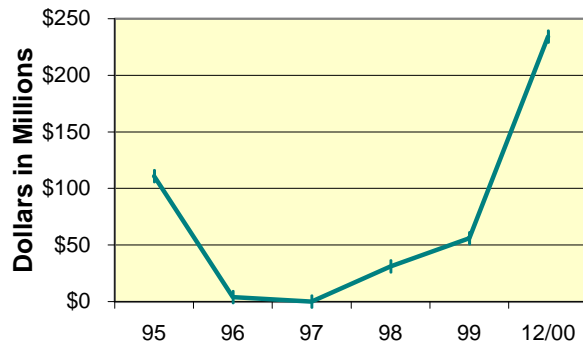
Dollars in Millions

	(Unaudited) December 31 <u>2000</u>	December 31 <u>1999</u>
<u>Assets</u>		
Cash and cash equivalents - unrestricted	\$ 150	\$ 146
Cash and other assets - restricted for SAIF-member exit fees	284	268
Investment in U.S. Treasury obligations, net	10,660	9,980
Interest receivable on investments and other assets, net	188	154
Receivables from thrift resolutions, net	4	62
Total Assets	\$ 11,286	\$ 10,610
<u>Liabilities</u>		
Accounts payable and other liabilities	\$ 7	\$ 5
Contingent liability for: Anticipated failures of insured institutions	234	56
Litigation losses	2	0
SAIF-member exit fees and investment proceeds held in escrow	284	268
Total Liabilities	527	329
<u>Fund Balance</u>		
Accumulated net income	10,677	10,313
Unrealized gain/(loss) on available-for-sale securities, net	82	(32)
Total Fund Balance	10,759	10,281
Total Liabilities and Fund Balance	\$ 11,286	\$ 10,610

SAIF Total Fund Balance



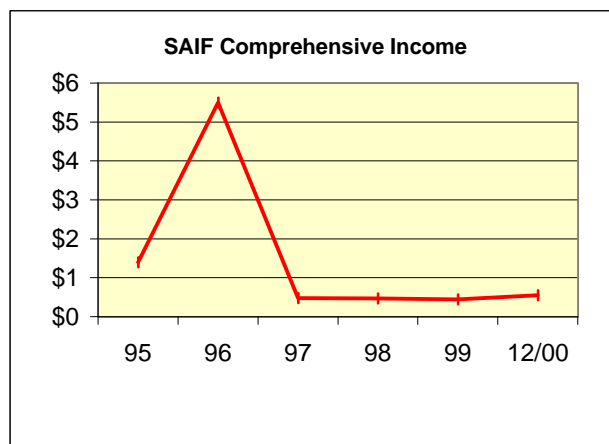
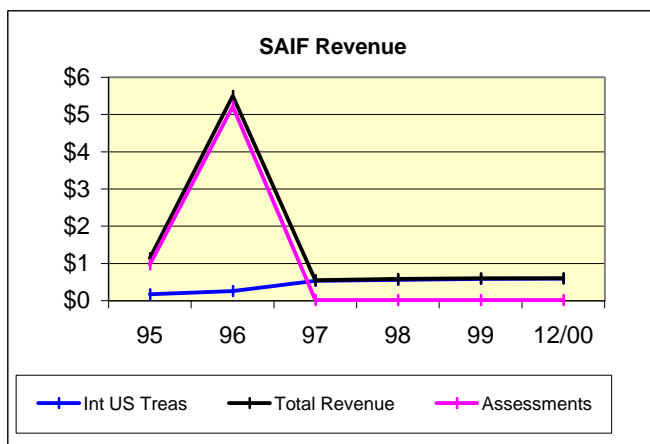
SAIF Contingent Liability for Anticipated Failure of Insured Institutions



Savings Association Insurance Fund Statements of Income and Fund Balance December 2000

Dollars in Millions

	(Unaudited) Year-to-Date:		(Unaudited) Quarter Ending December 31:	
	2000	1999	2000	1999
Revenue				
Interest on U.S. Treasury obligations	\$ 644	\$ 586	\$ 165	\$ 154
Assessments	19	15	5	5
Other revenue	1	0	1	0
Total Revenue	664	601	171	159
Expenses and Losses				
Operating expenses	111	93	32	28
Provision for insurance losses	181	31	146	25
Other insurance expenses	8	0	(1)	0
Total Expenses and Losses	300	124	177	53
Net Income	364	477	(6)	106
Unrealized gain/(loss) on available-for-sale securities, net (current period)	114	(36)	59	(30)
Comprehensive Income	478	441	53	76
Fund Balance - Beginning	10,281	9,840	10,706	10,205
Fund Balance - Ending	\$ 10,759	\$ 10,281	\$ 10,759	\$ 10,281

Chart Data: Dollars in Billions

RESOLUTION FUND

FSLIC Resolution Fund (FRF)

The FRF is a FDIC-managed resolution fund that was originally created to wind up the affairs of the former Federal Savings and Loan Insurance Corporation (FSLIC). It is also responsible for liquidating the assets and liabilities that were transferred from the former Resolution Trust Corporation (RTC) in 1996. Statutorily, the FRF is reported as one fund; for management reporting and operational purposes, the FRF is split into its FSLIC and RTC components and accounted for separately. The assets of one component are not available to satisfy the obligations of the other.

The FRF will continue to operate until all of its assets are sold or otherwise liquidated and all of its liabilities are satisfied.

FRF-FSLIC

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) abolished the insolvent FSLIC, created the FRF, and transferred the assets and liabilities of the FSLIC to the FRF or RTC, effective August 9, 1989. Upon dissolution of this component of the FRF, any funds remaining will be transferred to the U.S. Treasury.

FRF-RTC

The RTC was created to manage and resolve all thrifts previously insured by the FSLIC for which a conservator or receiver was appointed on January 1, 1989, or later. Resolution responsibility transferred from the RTC to the SAIF on July 1, 1995, and the RTC was terminated as of December 31, 1995. All remaining assets and liabilities of the RTC were transferred to the FRF on January 1, 1996. Upon dissolution of this component of the FRF, any funds remaining will be transferred to the U.S. Treasury or the Resolution Funding Corporation, as appropriate.

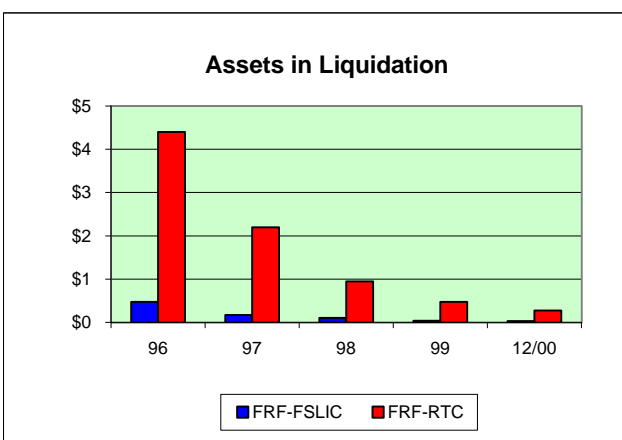
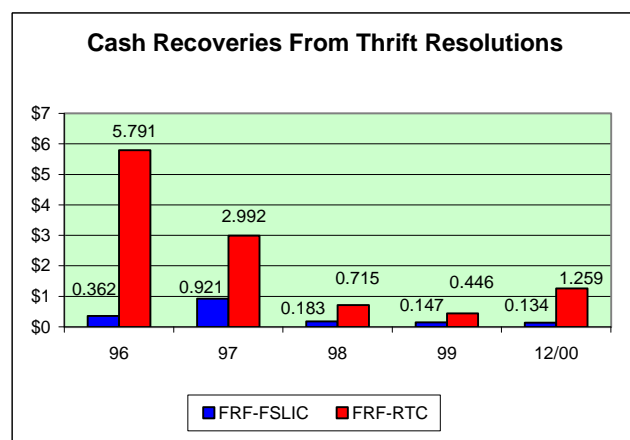
FSLIC Resolution Fund Statements of Cash Flows and Selected Statistics December 2000

Dollars in Millions

	FRF - FSLIC (Unaudited) Year-to-Date:		FRF - RTC (Unaudited) Year-to-Date:		FRF - CONSOLIDATED (Unaudited) Year-to-Date:	
	2000	1999	2000	1999	2000	1999
Cash Flows						
Cash Flows From Operating Activities:						
Cash Provided From Operating Activities	\$290	\$308	\$1,424	\$724	\$1,714	\$1,032
Cash Used for Operating Activities	(123)	(105)	(209)	(196)	(332)	(301)
Net Cash Provided by Operating Activities	167	203	1,215	528	1,382	731
Cash Flows From Investing Activities:						
Investment in Securitization Related Assets						
Acquired from Receiverships	0	0	1,028	1,753	1,028	1,753
Cash Flows From Financing Activities:						
U.S. Treasury Payments for Goodwill Settlements	0	1	0	0	0	1
Return of U.S. Treasury Payments (1)	0	0	(395)	(4,168)	(395)	(4,168)
Payments to Resolution Funding Corporation (1)	0	0	(1,449)	0	(1,449)	0
Net Increase/(Decrease) in Cash	\$167	\$204	\$399	(\$1,887)	\$566	(\$1,683)
Selected Statistics						
Resolution Equity (2)	\$2,419	\$2,232	\$3,254	\$4,477	\$5,673	\$6,709
Number of Active Receiverships	2	10	150	227	152	237
Number of Other Liquidating Entities	15	25	16	17	31	42
Assets in Liquidation (2)	\$28	\$42	\$273	\$467	\$301	\$509

(1) During 1999 and 2000, FRF-RTC paid \$4.556 billion to the U.S. Treasury and \$1.449 billion to the Resolution Funding Corporation.

(2) Assets in liquidation is the total book value of the noncash assets to be liquidated.

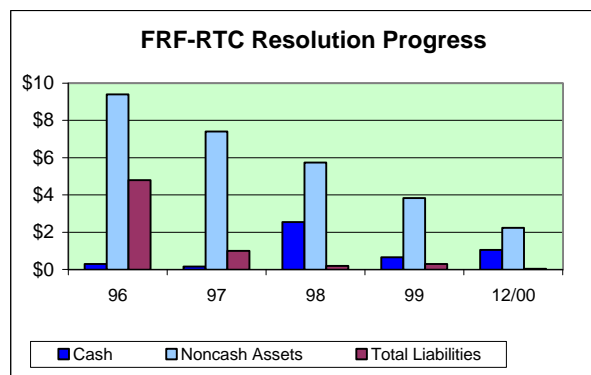
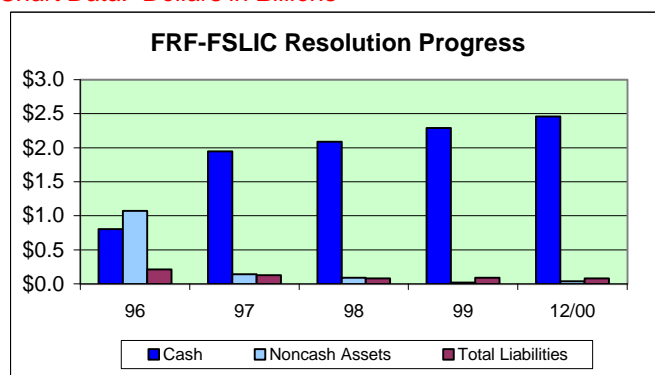
Chart Data: Dollars in Billions

FSLIC Resolution Fund Statements of Financial Position December 2000

Dollars in Millions

	FRF - FSLIC (Unaudited) December 31		FRF - RTC (Unaudited) December 31		FRF - CONSOLIDATED (Unaudited) December 31	
	2000	1999	2000	1999	2000	1999
Assets						
Cash and cash equivalents	\$ 2,460	\$ 2,293	\$ 1,054	\$ 655	\$ 3,514	\$ 2,948
Receivables from thrift resolutions, net	27	14	390	1,323	417	1,337
Investment in securitization related assets acquired from receiverships	0	0	1,812	2,725	1,812	2,725
Assets acquired from assisted thrifts and terminated receiverships, net	13	10	22	25	35	35
Other assets, net	0	0	16	36	16	36
Total Assets	\$ 2,500	\$ 2,317	\$ 3,294	\$ 4,764	\$ 5,794	\$ 7,081
Liabilities and Resolution Equity						
Liabilities						
Accounts payable and other liabilities	\$ 10	\$ 18	\$ 33	\$ 56	\$ 43	\$ 74
Liabilities from thrift resolutions	70	67	5	230	75	297
Contingent Liabilities for:						
Assistance agreements	0	0	0	0	0	0
Litigation losses	1	0	2	1	3	1
Total Liabilities	81	85	40	287	121	372
Resolution Equity						
Contributed capital (1)	44,157	44,157	85,328	87,171	129,485	131,328
Accumulated deficit	(41,738)	(41,925)	(82,529)	(83,074)	(124,267)	(124,999)
Unrealized gain on available-for-sale securities, net	0	0	455	380	455	380
Accumulated deficit, net	(41,738)	(41,925)	(82,074)	(82,694)	(123,812)	(124,619)
Total Resolution Equity	2,419	2,232	3,254	4,477	5,673	6,709
Total Liabilities and Resolution Equity	\$ 2,500	\$ 2,317	\$ 3,294	\$ 4,764	\$ 5,794	\$ 7,081

(1) Contributed Capital decreased \$6.0 billion due to the FRF-RTC payments to the U.S. Treasury and the Resolution Funding Corporation during 1999 and 2000.

Chart Data: Dollars in Billions

FSLIC Resolution Fund Statements of Income and Accumulated Deficit December 2000

Dollars in Millions

	FRF - FSLIC (Unaudited) Year-to-Date:		FRF - RTC (Unaudited) Year-to-Date:		FRF - CONSOLIDATED (Unaudited) Year-to-Date:	
	2000	1999	2000	1999	2000	1999
Revenue						
Interest on securitization related assets acquired from receiverships	\$ 0	\$ 0	\$ 86	\$ 104	\$ 86	\$ 104
Interest on U.S. Treasury obligations	145	108	0	0	145	108
Interest on advances and subrogated claims	0	0	159	19	159	19
Revenue from assets acquired from assisted thrifts and terminated receiverships	3	8	12	17	15	25
Realized gain on investment in securitization related assets acquired from receiverships	0	0	91	93	91	93
Limited partnership equity interests and other revenue	1	3	25	21	26	24
Total Revenue	149	119	373	254	522	373
Expenses and Losses						
Operating expenses	3	7	71	76	74	83
Realized loss on investment in securitization related assets acquired from receiverships	0	0	37	94	37	94
Provision for losses	(152)	(113)	(286)	(170)	(438)	(283)
Expenses for goodwill settlements and litigation	94	81	0	0	94	81
Expenses for assets acquired from assisted thrifts and terminated receiverships	6	6	1	9	7	15
Interest expense on notes payable and other expenses	11	5	5	1	16	6
Total Expenses and Losses	(38)	(14)	(172)	10	(210)	(4)
Net Income	187	133	545	244	732	377
Unrealized gain on available-for-sale securities, net (current period)	0	0	75	64	75	64
Comprehensive Income	187	133	620	308	807	441
Accumulated Deficit - Beginning	(41,925)	(42,058)	(82,694)	(83,002)	(124,619)	(125,060)
Accumulated Deficit - Ending	\$ (41,738)	\$ (41,925)	\$ (82,074)	\$ (82,694)	\$ (123,812)	\$ (124,619)

Chart Data: Dollars in Billions

